

California School-Based MAA Manual

SECTION 8

Audit File

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Record Keeping and Retention

Overview

The heart of MAA claiming is the time survey. Federal regulations require that records be kept for three years after the end of the quarter in which the expenditures were incurred. If an audit is in progress, all records relevant to the audit must be retained until the completion of the audit or the final resolution of all audit exceptions, deferrals, and disallowances. All records retained must be stored ready-to-review in an audit file sorted by program; these files must be available to State and federal reviewers and auditors upon request in accordance with record retention requirements set forth under Title 42 of the Code of Federal Regulations (CFR), Section 433.32. This documentation includes all original time survey documentation, secondary documentation, and direct charge certification. The time survey documentation and OP must be kept at the LEA that is easily accessible.

Similarly, the documents that support the construction of a MAA claim must be kept three years after the last claim revision. These documents include the documentation that supports the Medi-Cal percentage, the basis of the cost pools, and position descriptions and/or duty statements for all staff performing MAA.

Building and Maintaining an Audit File

Each LEA claiming unit must develop an audit file beginning the first quarter in which a time survey is conducted. A checklist has been developed to assist the LEA in this task. Documentation is necessary to respond to audit inquiries, especially in the absence of the specific staff that were responsible for the time survey or the MAA claim.

Audit File/Operational Plan Checklist

The following list is provided as a guide to determine what to include in the audit file when claiming for Medi-Cal Administrative Activities (MAA). The list is general in nature and is not intended to be all-inclusive.

Training Materials:	
	Copies of coordinator training materials indicating dates, locations, trainers, and attendance lists.
	Copies of all time survey trainings, dates, locations, trainers, and original attendance lists.
Time Survey Materials:	
	Original time survey logs signed by the employee and the employee's supervisor.
	Copies of time cards or other methods of validating staff attendance for the time study period of each staff member participating in the time survey.
	Copies of the computations that calculated the allowable administrative time.
The Claiming Unit Functions Grid	
Duty Statements/Position Descriptions:	
	Duty Statements/Position Descriptions for staff performing MAA.
Invoice Documents:	
	MAA Summary Invoice
	Invoice Variance Form
	Activities and Medi-Cal Percentages Worksheet
	Time Survey Summary Report
	Direct Charges Worksheet
	Payroll Data Collection Worksheet
	Payroll Data Collection & Other Summary Sheet (maintain actual staff ledger reports for audit purposes)
	Costs and Revenues Worksheet
	Averaging Worksheet
	Supporting Documentation
	Claiming Units Function Grid
	Checklist for preparing the MAA Detail Invoice
	Checklist for preparing the MAA Summary Invoice
Contracts:	
	The contract between the Department of Health Care Services (DHCS) and the LEC or LGA.
	Contracts or sub-contracts between any LEA/LEC/LGA participating in MAA.
	Contracts or Memorandums of Understanding (MOUs) between LEA and provider organization (County Office of Education, private organization, etc.).
	The contract with the Host Entity (if applicable), or DHCS.
	Time surveys (as above) if contractors are time surveying.
Organization Charts/Directory:	
	Charts that show the supervision responsibility of staff involved in MAA claiming down to the level of clerical staff whose costs are included in the invoice.
Resource Directories:	
	Copies of documents used to promote Medi-Cal that directly relate to surveyed time for such activities. Should include flyers, announcements and other materials pertaining to Medi-Cal. Provide a statement that gives the locations where these materials will be maintained for future DHCS and CMS review.

Quality Control

The LEA Coordinator is the first level of review to ensure that the OP is complete and accurate. This includes ensuring the accuracy of the time surveys for all staff in the claiming unit, the completeness and accuracy of the invoices, and thorough documentation to support the OP.

The LEC Coordinator is the second level of review. Review at this level should include continuous training, site visits, desk reviews, and review of the LEA OP to ensure accuracy and completeness. The LEC Coordinator is also responsible for receiving all invoices in his or her region, checking to ensure accuracy and completeness, and submitting them to DHCS.

DHCS is the third level of review. DHCS will be conducting different reviews:

- Desk reviews will be conducted on a minimum of 100 invoices per year. These may include any combination of the following, and the backup documentation to support it:
 - Training Materials
 - Time Survey Materials
 - The Grid
 - Position Descriptions/Duty Statements
 - Medi-Cal Percentage
 - Contracts/MOUs
 - Backup Documentation to the Invoice
 - Organization Charts
 - Resource Directories

Site reviews may be scheduled as a result of findings from desk reviews.

- Site reviews will be conducted on a rotational basis. DHCS will perform a site review in a minimum of three LECs and three LGAs annually. These will be extensive, and will include time survey reviews, OP reviews, claiming unit function grid reviews, and invoice reviews. DHCS will review documentation that supports the invoice – which may include, but is not limited to, all of the items on the Audit File Checklist.

If a review results in an invoice overpayment, DHCS will require a check from the claiming unit in the amount of the overpayment. Additional steps may be required, such as additional training, procedure changes, and internal audits.

For further details, see Section 6, page 6-4, Time Survey Review Process.